



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

May 10, 2013

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To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

SACRAMENTO UPDATE

Executive Summary

This memorandum contains reports on the following:

- **Status of County-Advocacy Legislation:**
 - **County-supported AB 436 (Jones-Sawyer)** – related to applying the doctrine of comparative fault and a statute limiting recovery of a plaintiff's post-settlement-offer costs to inverse condemnation actions passed the Assembly Judiciary Committee on May 7, 2013.
 - **County-supported AB 748 (Eggman)** – related to the interest rate on judgments against the State and local governments passed the Assembly Judiciary Committee on April 30, 2013.

Status of County-Advocacy Legislation

County-supported AB 436 (Jones-Sawyer), which as introduced on February 15, 2013, would: 1) apply the doctrine of comparative fault to litigation between a plaintiff property owner and a defendant governmental agency in inverse condemnation actions; and 2) require if the plaintiff fails to meet the normal tort standard in the Code of Civil

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Procedure, they will not be able to receive their own costs as currently allowed for inverse condemnation cases, passed the Assembly Judiciary Committee by a vote of 7 to 1 on May 7, 2013. This measure now proceeds to the Assembly Floor.

County-supported AB 748 (Eggman), which as introduced on February 21, 2013, would have set the interest rate on judgments against State and local governments to the previous year's Pooled Money Investment Account rate, and set an upper limit of 7 percent, was amended on May 6, 2013. The measure would now provide that: 1) unless another provision of law or a collective bargaining contract provides a different interest rate, interest accrues in a tax or inverse condemnation claim against a public entity that results in a judgment against the public entity at a rate equal to the weekly average one-year constant maturity U.S. Treasury yield, not to exceed 7 percent per annum; 2) when the judgment becomes enforceable pursuant to existing law, interest accrues at an annual rate equal to the weekly average one-year constant maturity U.S. Treasury yield at the time of the judgment plus 2 percent; and 3) unless another provision of law or a collective bargaining contract provides a different interest rate, interest on a tax or inverse condemnation judgment or settlement for the payment of moneys against the State commences to accrue 180 days from the date of the final judgment or settlement and accrues at a rate equal to the weekly average one year constant maturity U.S. Treasury yield at the time of the judgment or settlement plus 2 percent, but not to exceed 7 percent per annum.

County Counsel has reviewed AB 748, as amended, and reports that the amendments narrow the application of the bill to tax and inverse condemnation cases. County Counsel notes that linking the pre- and post-judgment interest rate to the weekly average 1-year constant maturity U.S. Treasury yield, which is currently less than 1 percent, could help save the County money in tax and inverse condemnation claims. **Therefore, unless otherwise instructed by the Board, consistent with existing policy to support proposals that limit post judgment interest, the Sacramento advocates will continue to support AB 748.**

AB 748 passed the Assembly Judiciary Committee by a vote of 9 to 0 on April 30, 2013. This measure now proceeds to the Assembly Appropriations Committee.

We will continue to keep you advised.

WTF:RA
MR:AO:lm

c: All Department Heads
Legislative Strategist
Local 721